

Federal Advisory Committee (FAC) Membership Balance Plan

Please read the Federal Advisory Committee Membership Balance Plan Guidance prior to completing this form

<p>(1) FEDERAL ADVISORY COMMITTEE NAME <i>State the legal name of the FAC</i></p> <p>Federal Accounting Standards Advisory Board (Board)</p>
<p>(2) AUTHORITY <i>Identify the authority for establishing the FAC</i></p> <p>Established pursuant to the sponsors' (the Office of Management and Budget, the US Department of the Treasury, and the Government Accountability Office) joint authority found at Title 31 U.S.C. 3511(d); Federal Advisory Committee Act, as amended (5 U.S.C. App.)</p>
<p>(3) MISSION <i>Describe the mission/function of the FAC</i></p> <p>The mission of the Board is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of federal financial information. Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus Federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to (1) assess the government's accountability and its efficiency and effectiveness, and (2) contribute to the understanding of the economic, political, and social consequences of the allocation and various uses of Federal resources.</p> <p>Accounting standards should:</p> <ul style="list-style-type: none">• Result in the Federal Government and its agencies providing users of financial reports with understandable, relevant, and reliable information about the financial position, activities, and results of operations of the United States Government and its component units; and• Foster the improvement of accounting systems and effective internal controls that will help provide reasonable assurance that governmental activities can be conducted economically, efficiently, and effectively, and in compliance with applicable laws and regulations.
<p>(4) POINTS OF VIEW <i>Based on understanding the purpose of the FAC,</i></p> <p>(a) describe the process that will be used to ensure the committee is balanced, and identify the categories (e.g. individual expertise or represented interests) from which candidates will be considered;</p> <p>(b) consider identifying an anticipated relative distribution of candidates across the categories; and</p> <p>(c) explain how a determination was made to appoint any individuals as Special Government Employees or Representative members</p> <p>The Board will comprise nine members--three federal members representing the views of the Office of Management and Budget (OMB), the US Department of the Treasury (Treasury), and the US Government Accountability Office (GAO), and six non-federal members. The non-federal members will be drawn from the general financial community, the accounting and auditing community, or academe per the memorandum of understanding and rules of procedure governing the Board. The established balance between federal and non-federal membership provides for independent recommendations to the Board's sponsors.</p>

The six non-federal members must possess relevant technical knowledge and experience in one of the following categories: financial accounting, financial auditing, financial analysis and/or decision making, or academe (accounting/auditing, economics, or public policy/administration). Some candidates may have extensive experience in more than one of the preceding categories. Balance among the non-federal members provides for a diversity of viewpoints when considering the interests of the affected parties--federal financial managers and auditors as well as those who rely on financial systems and reports for information such as citizens, executives, and elected officials.

Membership balance is not static, and the expertise or experience relevant to the mission of the Board may change over time, depending on the work priorities of the Board.

Federal employee members will be designated as Regular Government Employees (RGEs), and non-federal members appointed will be appointed as Special Government Employees (SGEs) and will not represent the views of any group or organization. All non-federal members follow government-wide ethics rules as well as the Board's Ethics Policy tailored to meet the unique needs of the accounting community.

(5) OTHER BALANCE FACTORS

List any other factors your agency identifies as important in achieving a balanced FAC

The Board is recognized as the source of generally accepted accounting principles (GAAP) for the federal government by the American Institute of CPAs. To maintain this recognition, the Board and its sponsors consider criteria established by the AICPA for GAAP standard setting bodies. The five criteria are:

Independence – The body should be independent from the undue influence of its constituency.

Due Process and Standards – The body should follow a due process that is documented and open to all relevant aspects or alternatives. The body's aim should be to produce standards that are timely and that provide for full, fair, and comparable disclosure.

Domain and Authority – The body should have a unique constituency not served by another existing Rule 203 standards-setting body. Its standards should be generally accepted by its constituencies.

Human and Financial Resources – The body should have sufficient funds to support its work. Its members and staff should be highly knowledgeable in all relevant areas.

Comprehensiveness and Consistency – The body should approach its processes comprehensively and follow concepts consistent with those of existing Rule 203 standards-setting bodies for analogous circumstances.

Each member's conformance to the Board's Ethics Policy is confirmed annually and the results included in the Board's annual report.

(6) CANDIDATE IDENTIFICATION PROCESS

Summarize the process intended to be used to identify candidates for the FAC, key resources expected to be tapped to identify candidates and the key persons (by position, not name) who will evaluate FAC balance. The summary should:

- (a) describe the process*
- (b) identify the agency key staff involved (by position, not name)*
- (c) briefly describe how FAC vacancies, if any, will be handled by the agency; and*
- (d) state the membership term limit of FAC members, if applicable*

The candidate identification process begins approximately 24 months before the anticipated vacancy. The Designated Federal Official (DFO) (the Board's Executive Director) will solicit candidates through public announcements including notices in the Federal Register, requests to relevant professional associations, and contacts with individuals having the requisite experience. The DFO will review the list, consider if any candidates would be unable to conform to the established ethics policy, and note any concerns. The list of candidates-including any notes regarding ethics concerns-will be provided to an Appointments Panel comprising seven individuals (representatives of OMB, Treasury and GAO; the Board Chairman; two representatives from the AICPA; and one from the Financial Accounting Foundation) for consideration. Panel members offer suggestions regarding the general qualifications needed to maintain a balanced Board, monitor the process used to identify candidates, and assist in recruiting candidates as needed.

In reviewing the slate of candidates for each position, the Panel will consider the overall composition of the Board, current and emerging issues, and how each candidate might enhance the Board's consideration of issues. The panel will interview the most qualified candidates and make a recommendation to the appointing officials--the Secretary of the Treasury, the Director of OMB, and the Comptroller General of the United States. The Panel plans for appointments to be made approximately four months before the actual vacancy to permit incoming members to observe one to two meetings before their terms begin. Members are appointed for five year terms and may serve a total of ten years. Any unanticipated vacancies will be filled as quickly as possible following the same process described above. In addition, the Panel considers and makes recommendations regarding reappointment of members for second terms.

(7) SUBCOMMITTEE BALANCE

Subcommittees subject to FACA should either state that the process for determining FAC member balance on subcommittees is the same as the process for the parent FAC, or describe how it is different*

**This is relevant to those agencies that require their subcommittees to follow all FACA requirements.*

The Board does not rely on subcommittees.

(8) OTHER

Provide any additional information that supports the balance of the FAC

Members performance is appraised annually. The appraisal results are available (1) to the DFO and Chairman to highlight any balance concerns and (2) the Appointments Panel when considering reappointments.

(9) DATE PREPARED/UPDATED

Insert the actual date the Membership Balance Plan was initially prepared, along with the date(s) the Plan is updated

Updated: October 30, 2013